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14 Archbishop of San Francisco

15 UNITED STATES BANKRUPTCY COURT

16 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

17 In re

Case No. 23-30564

18 THE ROMAN CATHOLIC ARCHBISHOP
OF SAN FRANCISCO,

Chapter 11

19 Debtor and
20 Debtor in Possession.

**SUPPLEMENTAL DECLARATION OF
JOSEPH J. PASSARELLO IN SUPPORT
OF DEBTOR'S SUPPLEMENT TO
DEBTOR'S EMERGENCY MOTION FOR
INTERIM AND FINAL ORDERS
(1) AUTHORIZING CONTINUED USE OF
EXISTING CASH MANAGEMENT
SYSTEM, OPERATIONAL BANK
ACCOUNTS AND RELATED
INVESTMENT ACCOUNTS;
(2) AUTHORIZING MAINTENANCE OF
EXISTING BUSINESS FORMS,
(3) EXCUSING COMPLIANCE WITH
SECTION 345(b); (4) AUTHORIZING
CONTINUED USE OF CURRENT
INVESTMENT POLICY; AND
(5) SCHEDULING A FINAL HEARING**

Date: August 24, 2023
Time: 1:30 p.m.
Location: Via ZoomGov
Judge: Hon. Dennis Montali

Hearing Requested on Shortened Time

I, Joseph J. Passarello, hereby declare under penalty of perjury as follows:

1. I am the Chief Financial Officer (“CFO”) of The Roman Catholic Archbishop of San Francisco, the debtor and debtor in possession herein (“RCASF” or the “Debtor”). I have been the CFO of the RCASF since January 2014. Before that, I served as the CFO for several other companies including Serena Software, Aptina Imaging, AMI Semiconductor, and Therma-Wave, Inc. I have a Master of Business Administration from Santa Clara University and a Bachelor of Science in Economics and Business Administration from St. Mary’s College. I am authorized to provide this declaration (the “Declaration”) setting forth the general structure of the Debtor’s cash management system. In the course and scope of my duties as CFO, I am familiar with the record keeping practices and policies of the RCASF and how it regularly maintains its business records.

2. I submit this supplemental declaration (the “Supplemental Declaration”) in support of the *Debtor’s Supplement to the Debtor’s Emergency Motion for Interim and Final Orders (1) Authorizing Continued Use of Existing Cash Management System, Operational Bank Accounts and Related Investment Accounts; (2) Authorizing Maintenance of Existing Business Forms, (3) Excusing Compliance With Section 345(b); (4) Authorizing Continued Use of Current Investment Policy; and Scheduling a Final Hearing* (the “Supplement”), which was filed to supplement the *Debtor’s Emergency Motion for Interim and Final Orders (1) Authorizing Continued Use of Existing Cash Management System, Operational Bank Accounts and Related Investment Accounts; (2) Authorizing Maintenance of Existing Business Forms, (3) Excusing Compliance With Section 345(b); (4) Authorizing Continued Use of Current Investment Policy; and Scheduling a Final Hearing*, filed on August 21, 2023, as ECF No. 9 (the “Motion”). I give capitalized terms not otherwise defined in this Declaration the same meanings ascribed to them in the Supplement and Motion, as applicable.

3. All facts set forth in this Declaration are based on my personal knowledge, upon information supplied to me by people who report to me, upon information supplied to me by the RCASF's professionals and consultants, upon my review of relevant documents, or upon my opinion based on my experience and knowledge regarding the RCASF's operations, financial condition, and related business issues. The documents submitted herewith, referenced herein or otherwise relied upon by me for purposes of this Declaration are the business records of the RCASF, prepared and maintained in the ordinary and regularly conducted business activity of the RCASF, and used by me for those purposes. If I were called upon as a witness, I could and would testify competently to the facts set forth herein, and I am authorized to submit this Declaration on behalf of the RCASF.

The Additional Bank Accounts

4. On August 21, 2023 (“Petition Date”), the RCASF filed a voluntary Chapter 11 petition and a host of first day motions requesting certain customary first day relief, including the Motion.

5. Immediately after filing the first day motions, I reached out to the Cash Management Banks to provide them with notice of the Motion and work through logistical issues with attempting to convert the Bank Accounts to debtor in possession accounts. During one of these calls, BofA made me aware of eight additional accounts (held at BofA) all of which have been open since before 2008—predating my time with the Debtor as CFO—and which are being used by four High Schools likely as their main operating accounts, development accounts, and/or payroll accounts (the “Additional Bank Accounts”). The four High Schools using the Additional Bank Accounts are Junipero Serra High School, The Marin Catholic High School, Sacred Heart Cathedral Preparatory, and The Archbishop Riordan High School.

6. Although no funds in the Additional Bank Accounts have originated from the Debtor or its operations, and the Debtor has been largely unaware of the Additional Bank Accounts, the Additional Bank Accounts are listed under the Debtor's employer identification number ("EIN number"). Additionally, I understand that certain representatives of the Debtor are listed as co-signors on the Additional Bank Accounts.

1 7. The Additional Bank Accounts have not been listed in the Debtor's general ledger,
2 do not contain funds of the Debtor, and the Debtor does not use or control the operations of the
3 Additional Bank Accounts; however, because they are listed under the Debtor's name at BofA, the
4 Debtor requests that the Court authorize the continued use of the Additional Bank Accounts in the
5 ordinary course of business without the need to designate such accounts as debtor in possession
6 accounts or otherwise comply with the requirements of Bankruptcy Code section 345(b).

7 8. I understand and believe that without this relief, these High Schools, which have just
8 welcomed students back from summer break, will suffer irreparable harm if unable to access their
9 funds or suffer a delay in use of those funds, as they need to cover day-to-day operating costs and
10 make payroll for the teachers and staff in the upcoming days.

11 I declare under penalty of perjury under the laws of the United States of America that the
12 foregoing is true and correct. Executed on this 22 day of August, 2023, at San Francisco,
13 California.

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